



To: Chicago Transit Authority Board  
From: Ron DeNard, Chief Financial Officer  
Re: Financial Results for April 2015  
Date: June 8, 2015

## I. Summary

CTA's financial results are unfavorable by \$1.4 million and \$0.7 million for the month and year primarily due to the anticipated reduction in the State's free and reduced fare reimbursement.

Ridership was 43.6 million for the month and was 1.2 million less than budget. Ridership for the year to date was 165.8 million and was 3.7 million less than budget.

## II. Cash & Liquidity

The chart below highlights CTA's cash position at April 2015 compared to April 2014.

|                            | APR<br>2015 | APR<br>2014 | Increase<br>(Decrease) |
|----------------------------|-------------|-------------|------------------------|
| Unrestricted Cash          | \$ 117.7    | \$ 101.9    | \$ 15.8                |
| Damage Reserve             | 107.8       | 111.5       | \$ (3.7)               |
| Funds Owed by RTA          | 302.8       | 275.2       | \$ 27.6                |
| Trust Portfolio Assets     | 656.0       | 420.6       | \$ 235.4               |
| Total Cash and Receivables | \$ 1,184.3  | \$ 909.2    | \$ 275.1               |

CTA's total cash/receivables balance is equal to \$1.2 billion. Unrestricted cash was \$15.8 million more than the prior year due to receipt of reimbursements for capital related payments, and timing of expenditures. The Damage Reserve is sufficiently funded and was \$3.7 million lower than last year reflecting payouts for settled claims. Funds owed by the RTA were approximately \$302.8 million which was \$27.6 million more than the prior year primarily due to a delay in State PTF (Public Transportation Funding). CTA continues to work closely with the RTA to monitor their receivable balance owed. Trust Portfolio Assets represents bond proceeds held in Trust for funding capital projects and making required debt service payments.

### III. Revenue

| Category            | Current Month |               |                            | Full Year  |             |                 |
|---------------------|---------------|---------------|----------------------------|------------|-------------|-----------------|
|                     | Actual        | Variance to   | Variance to                | Actual     | Variance to | Variance to     |
|                     | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015       | Budget 2015 | Prior Year 2014 |
| Fare & Pass Revenue | \$ 47,656     | \$ (191)      | \$ (2,196)                 | \$ 182,453 | \$ (2,337)  | \$ (3,826)      |

- Fare and pass revenue for April was unfavorable to budget and prior year by \$0.2 million and \$2.2 million, respectively. The average fare for the month was \$1.09 and was \$0.02 more than budget. Revenue was lower than prior year because of one-time revenues received in 2014. Excluding these one-time sources, year-over-year fare and pass revenue increased by 1.7% in April and is within 4% of budget.
- Year to date fare and pass revenue was \$2.3 million less than budget and \$3.8 million less than prior year. The average fare for the year to date was \$1.10 per ride and is \$0.01 more than budget. The year to date revenue was negatively impacted by the coldest February ever in Chicago and was the third-snowiest February on record.

| Category             | Current Month |               |                            | Full Year |             |                 |
|----------------------|---------------|---------------|----------------------------|-----------|-------------|-----------------|
|                      | Actual        | Variance to   | Variance to                | Actual    | Variance to | Variance to     |
|                      | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015      | Budget 2015 | Prior Year 2014 |
| Reduced Fare Subsidy | \$ -          | \$ (2,360)    | \$ (1,217)                 | \$ 4,720  | \$ (4,721)  | \$ (149)        |

- Reduced Fare Subsidy is \$2.4 million less than budget for the month and \$4.7 million less for the year to date due to the anticipated reduction in State funding for the free and reduced fare mandates. According to the current State budget for the January to June time period, we expect to receive approximately \$7.1 million (half of the originally budgeted amount).

| Category                         | Current Month |               |                            | Full Year |             |                 |
|----------------------------------|---------------|---------------|----------------------------|-----------|-------------|-----------------|
|                                  | Actual        | Variance to   | Variance to                | Actual    | Variance to | Variance to     |
|                                  | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015      | Budget 2015 | Prior Year 2014 |
| Advertising, Charter, Concession | \$ 2,361      | \$ (35)       | \$ 135                     | \$ 9,489  | \$ (24)     | \$ 602          |

- Advertising, Charter and Concessions Revenue is slightly unfavorable to budget for the month due to slightly lower concessions than anticipated. The increase over prior year is due to higher special contract guarantees, concession contracts, and the annual increase in vehicle and platform advertising minimum guarantee.

| Category          | Current Month |               |                            | Full Year |             |                 |
|-------------------|---------------|---------------|----------------------------|-----------|-------------|-----------------|
|                   | Actual        | Variance to   | Variance to                | Actual    | Variance to | Variance to     |
|                   | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015      | Budget 2015 | Prior Year 2014 |
| Investment income | \$ 76         | \$ 19         | \$ 43                      | \$ 638    | \$ 411      | \$ 456          |

- Investment income was higher than budget for the month and prior year. An overall higher yielding portfolio and better security selection will continue to improve investment income in FY 15.

| Category      | Current Month |               |                            | Full Year |             |                 |
|---------------|---------------|---------------|----------------------------|-----------|-------------|-----------------|
|               | Actual        | Variance to   | Variance to                | Actual    | Variance to | Variance to     |
|               | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015      | Budget 2015 | Prior Year 2014 |
| Other Revenue | \$ 2,377      | \$ 128        | \$ (436)                   | \$ 10,103 | \$ 1,585    | \$ (3,373)      |

- Other Revenue was favorable to budget by \$0.1 million for the month and \$1.6 million for the year to date due to higher rental and parking lot revenue. The month and year to date is lower than prior year due to lower non-capital grant revenues and a one-time sale of property in 2014.

| Category                       | Current Month |               |                            | Full Year  |             |                 |
|--------------------------------|---------------|---------------|----------------------------|------------|-------------|-----------------|
|                                | Actual        | Variance to   | Variance to                | Actual     | Variance to | Variance to     |
|                                | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015       | Budget 2015 | Prior Year 2014 |
| Total System Generated Revenue | \$ 52,471     | \$ (2,439)    | \$ (3,671)                 | \$ 207,402 | \$ (5,085)  | \$ (6,290)      |

- Total System-Generated Revenue was \$2.4 million and \$5.1 million less than budget for the month and year to date primarily due to the anticipated reduction in the State's free and reduced fare subsidy. The year to date system-generated revenue is \$6.3 million less than prior year primarily due to one-time revenues in 2014, including the sale of property and higher non-capital grant revenues.

#### IV. Expenses

| Category | Current Month |               |                            | Full Year  |             |                 |
|----------|---------------|---------------|----------------------------|------------|-------------|-----------------|
|          | Actual        | Variance to   | Variance to                | Actual     | Variance to | Variance to     |
|          | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015       | Budget 2015 | Prior Year 2014 |
| Labor    | \$ 81,448     | \$ 2,246      | \$ (1,247)                 | \$ 326,275 | \$ 6,438    | \$ (4,089)      |

- Labor expense was \$2.2 million favorable to budget for the month, mainly due to proactive management of vacant positions and favorable fringe expenses. Labor expense is \$1.2 million unfavorable to 2014 due to timing of a labor credit and contractual wage rate increases in 2015.

| Category | Current Month |               |                            | Full Year |             |                 |
|----------|---------------|---------------|----------------------------|-----------|-------------|-----------------|
|          | Actual        | Variance to   | Variance to                | Actual    | Variance to | Variance to     |
|          | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015      | Budget 2015 | Prior Year 2014 |
| Material | \$ 7,243      | \$ (1,491)    | \$ (1,621)                 | \$ 27,679 | \$ (2,862)  | \$ (2,868)      |

- Material expense was unfavorable to budget and prior year for the month by \$1.5 million and \$1.6 million, respectively. The unfavorable variance for the month is due to more rail car mileage than budgeted creating more wear on materials and leading to more frequent replacements; facility improvement expenses which occurred in April and sooner than forecast; and a slower retirement of older vehicles, which have a higher materials cost per mile, expected to be replaced by new ones. The unfavorable variance to budget for the year is also due to the severe weather in February. The unfavorable variance to prior year is additionally due to a reclassification of certain expenses from the Other Expenses category into the Materials category.

| Category | Current Month |               |                            | Full Year |             |                 |
|----------|---------------|---------------|----------------------------|-----------|-------------|-----------------|
|          | Actual        | Variance to   | Variance to                | Actual    | Variance to | Variance to     |
|          | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015      | Budget 2015 | Prior Year 2014 |
| Fuel     | \$ 4,301      | \$ 159        | \$ 247                     | \$ 17,468 | \$ 874      | \$ 2,089        |

- Fuel for Revenue Equipment expense was \$0.2 million favorable to budget for the month due to lower usage. Fuel expense is \$2.1 million favorable to prior year to date primarily due to lower usage and price.

| Category | Current Month |               |                            | Full Year |             |                 |
|----------|---------------|---------------|----------------------------|-----------|-------------|-----------------|
|          | Actual        | Variance to   | Variance to                | Actual    | Variance to | Variance to     |
|          | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015      | Budget 2015 | Prior Year 2014 |
| Power    | \$ 1,841      | \$ 441        | \$ 541                     | \$ 10,903 | \$ 125      | \$ 3,539        |

- The Electric Power for Revenue Equipment expense was favorable to budget for the month due to lower consumption. Mild weather reduces power consumption and April was milder than anticipated with an average low temperature 4 degrees higher than last year. Year to date power expense is \$3.5 million lower than 2014 due to the impact of the polar vortex, which required a higher volume of power consumption, and higher prices in 2014.

| Category                      | Current Month |               |                            | Full Year |             |                 |
|-------------------------------|---------------|---------------|----------------------------|-----------|-------------|-----------------|
|                               | Actual        | Variance to   | Variance to                | Actual    | Variance to | Variance to     |
|                               | Apr-15        | Budget Apr-15 | Prior Year Apr15 vs. Apr14 | 2015      | Budget 2015 | Prior Year 2014 |
| Purchase of Security Services | \$ 1,199      | \$ 3          | \$ (21)                    | \$ 4,656  | \$ 153      | \$ (720)        |

- Purchase of Security Services was on par with budget for the month. Security expense was \$0.7 million higher than 2014 primarily due to a one-time 2014 reclassification of charges eligible for grant reimbursement.

| Category       | Current Month    |                                 |  | Full Year      |                               |                                   |
|----------------|------------------|---------------------------------|--|----------------|-------------------------------|-----------------------------------|
|                | Actual<br>Apr-15 | Variance to<br>Budget<br>Apr-15 | Variance to<br>Prior Year<br>Apr15 vs. Apr14 | Actual<br>2015 | Variance to<br>Budget<br>2015 | Variance to<br>Prior Year<br>2014 |
| Other Expenses | \$ 23,091        | \$ (313)                        | \$ (309)                                     | \$ 93,049      | \$ (295)                      | \$ (8,110)                        |

- Other Expenses were \$0.3 million unfavorable to budget for the month and year to date. Overall contractual and other expenses are trending as anticipated with timing of the expenses creating monthly variability. Year to date other expenses were \$8.1 million higher than 2014 due to the timing of contractual expenses and were within 1% of the 2015 budget. Of the total monthly other expenses, the pension obligation bond expense is \$10 million; the remaining expenses are for utilities, maintenance contracts, services, and other expenses.

| Category                 | Current Month    |                                 |  | Full Year      |                               |                                   |
|--------------------------|------------------|---------------------------------|--|----------------|-------------------------------|-----------------------------------|
|                          | Actual<br>Apr-15 | Variance to<br>Budget<br>Apr-15 | Variance to<br>Prior Year<br>Apr15 vs. Apr14 | Actual<br>2015 | Variance to<br>Budget<br>2015 | Variance to<br>Prior Year<br>2014 |
| Total Operating Expenses | \$ 119,122       | \$ 1,046                        | \$ (2,409)                                   | \$ 480,029     | \$ 4,434                      | \$ (10,160)                       |

- Operating Expenses were \$1.0 million less than budget for the month but \$2.4 million more than prior year. The favorable variance to budget is due primarily to favorable labor expense which offset unfavorable material and other expenses.

## V. Recovery Ratio

| Category       | Current Month    |                                 |  | Full Year      |                               |                                   |
|----------------|------------------|---------------------------------|--|----------------|-------------------------------|-----------------------------------|
|                | Actual<br>Apr-15 | Variance to<br>Budget<br>Apr-15 | Variance to<br>Prior Year<br>Apr15 vs. Apr14 | Actual<br>2015 | Variance to<br>Budget<br>2015 | Variance to<br>Prior Year<br>2014 |
| Recovery Ratio | 52.97%           | (2.01)                          |  | 51.74%         | (0.85)                        |                                   |

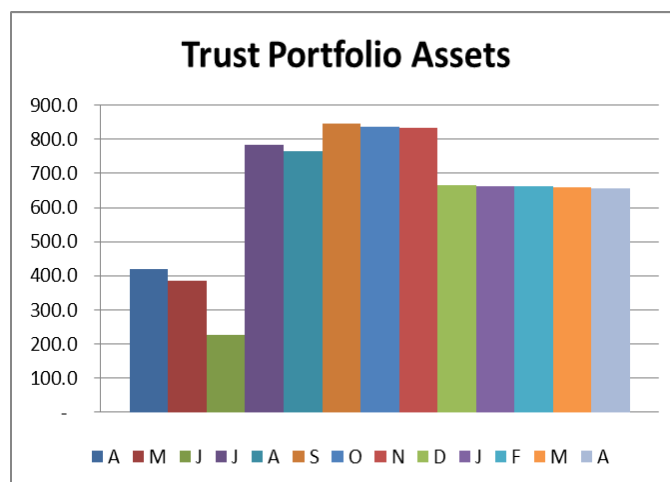
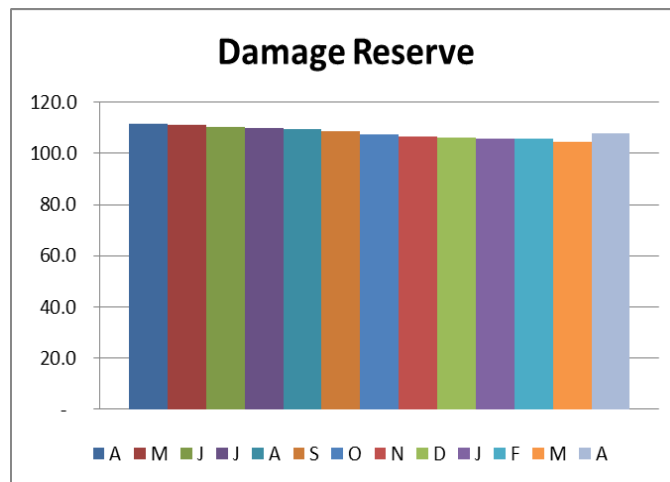
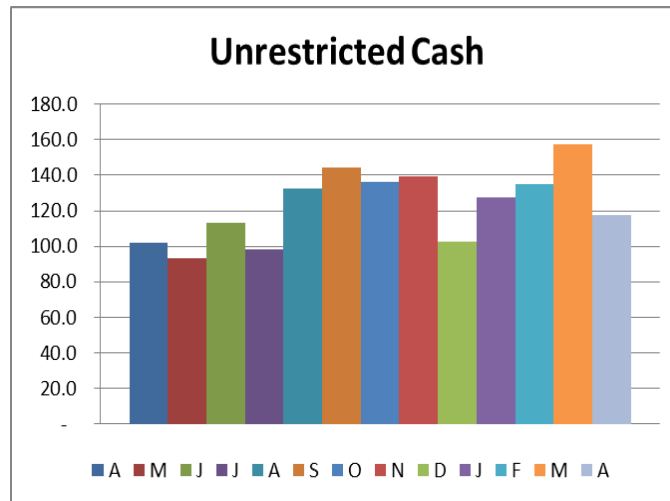
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 52.97% for the month. This was unfavorable to budget by 2.01 percentage points and is primarily due to the loss of the state free and reduced fare reimbursement. For the year to date the recovery ratio was 51.74% and is slightly unfavorable to budget.

## VI. Ridership

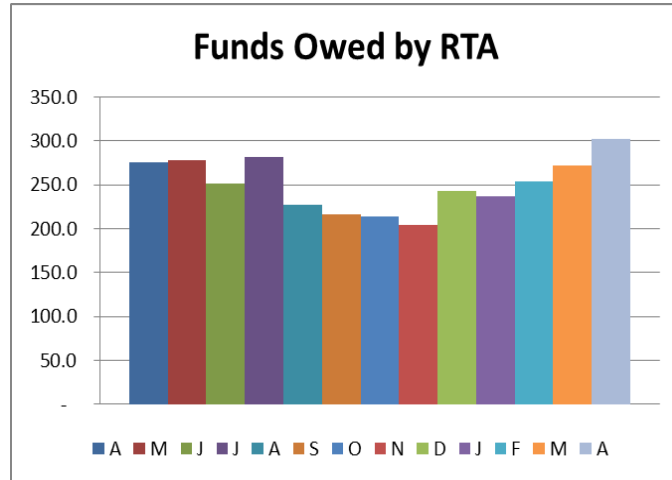
| Category               | Current Month    |                                 |  | Full Year      |                               |                                   |
|------------------------|------------------|---------------------------------|--|----------------|-------------------------------|-----------------------------------|
|                        | Actual<br>Apr-15 | Variance to<br>Budget<br>Apr-15 | Variance to<br>Prior Year<br>Apr15 vs. Apr14 | Actual<br>2015 | Variance to<br>Budget<br>2015 | Variance to<br>Prior Year<br>2014 |
| Bus                    | 23,516           | (578)                           | (403)  | 90,415         | (1,843)                       | (428)                             |
| Rail                   | 16,405           | (475)                           | (195)  | 61,650         | (1,413)                       | (227)                             |
| Rail to Rail Transfers | 3,711            | (142)                           | (46)   | 13,757         | (432)                         | (58)                              |
| Total                  | 43,631           | (1,195)                         | (644)  | 165,822        | (3,689)                       | (712)                             |

- Ridership for the month of April was 43.6 million and was less than budget and prior year by 1.2 million and 0.6 million, respectively. Calendar adjusted ridership was down 1.5% from prior year.
- Ridership for the year to date was 165.8 million and was 3.7 million less than budget and 0.7 million less than prior year. Calendar adjusted ridership was down 0.5% from prior year.
- More details on ridership can be found in the April Ridership Report.

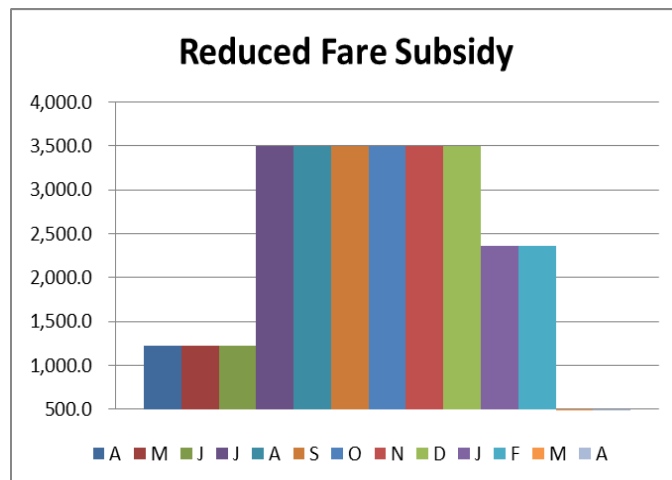
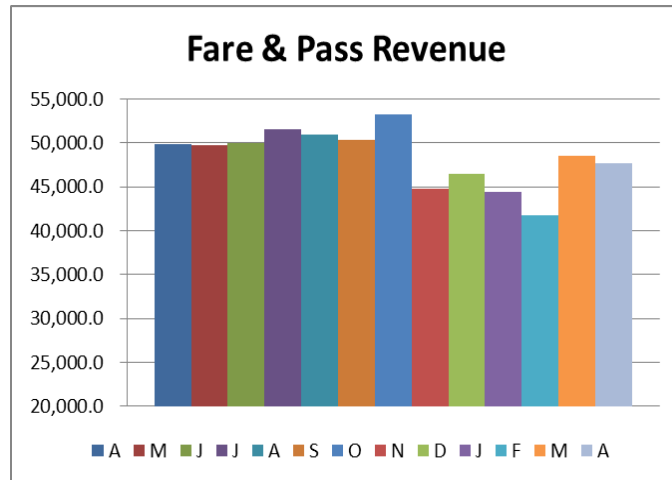
## Cash & Liquidity



## Cash & Liquidity (con't)

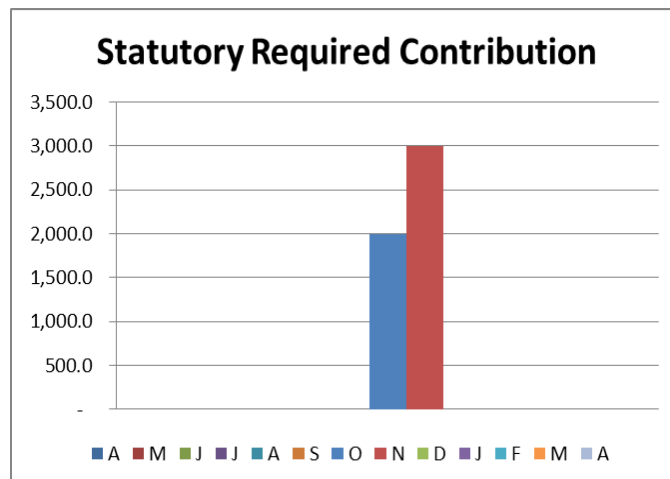
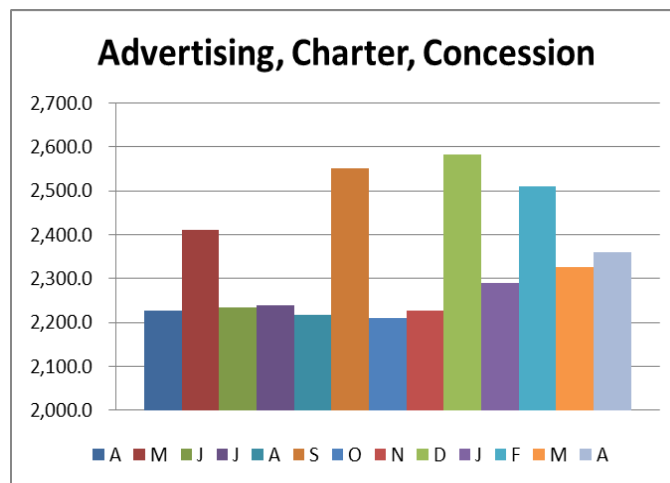
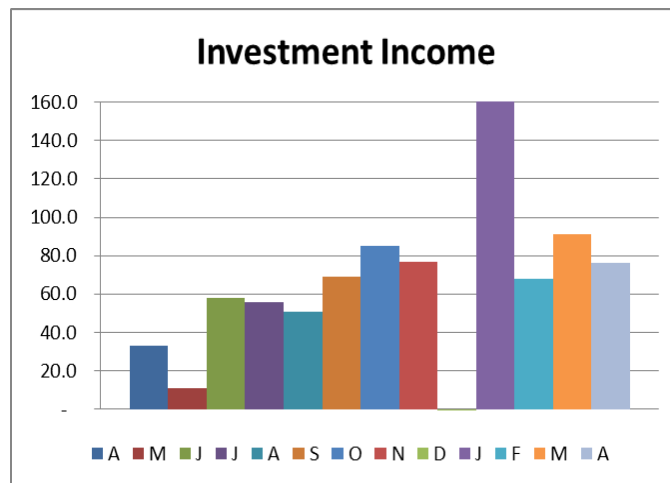


## Revenue

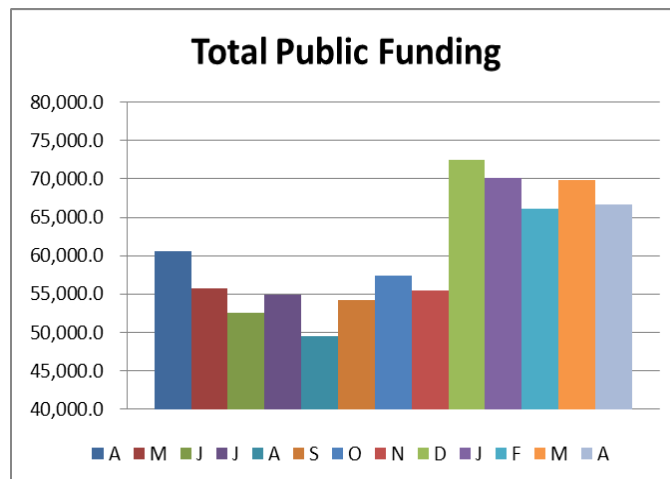
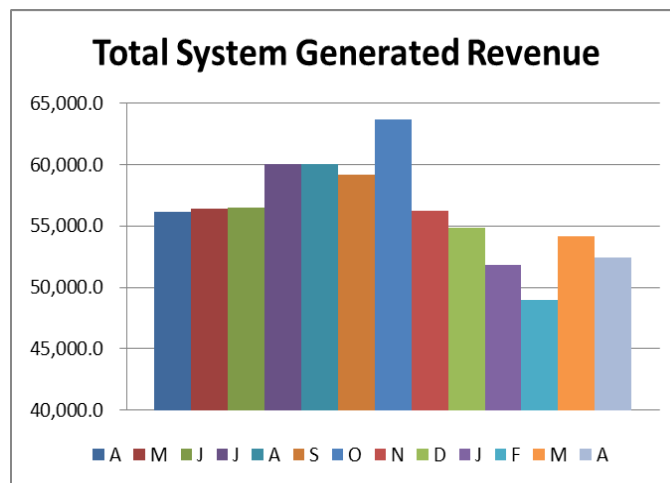
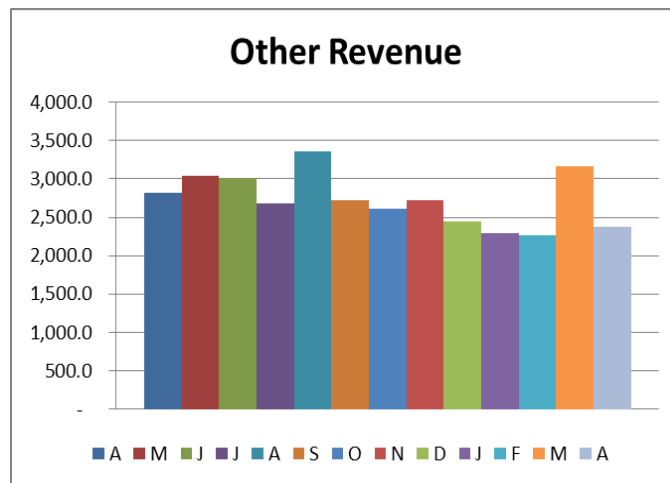




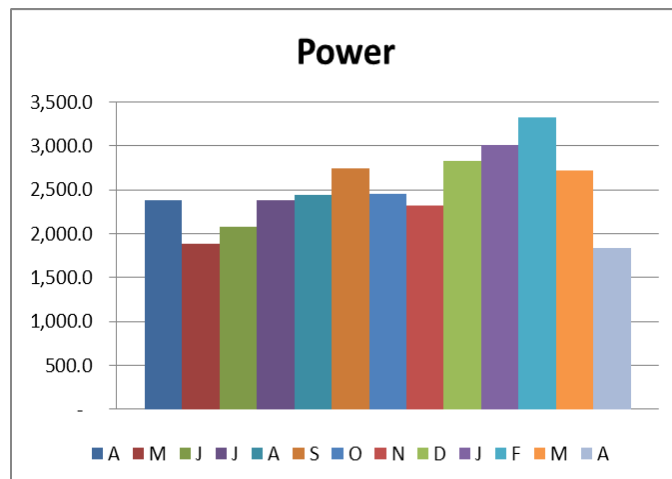
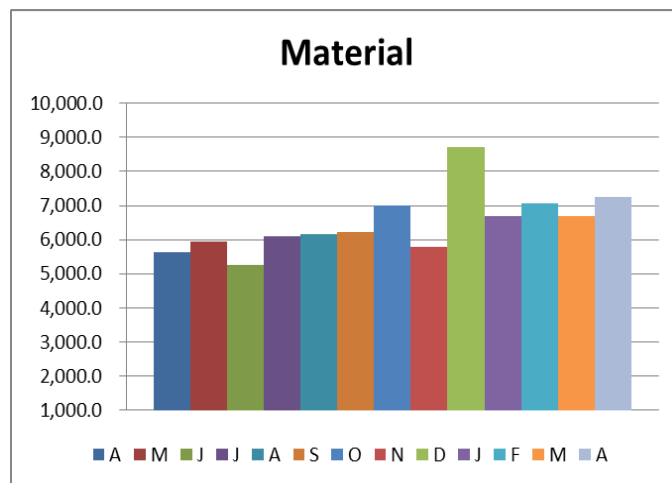
## Revenue (con't)



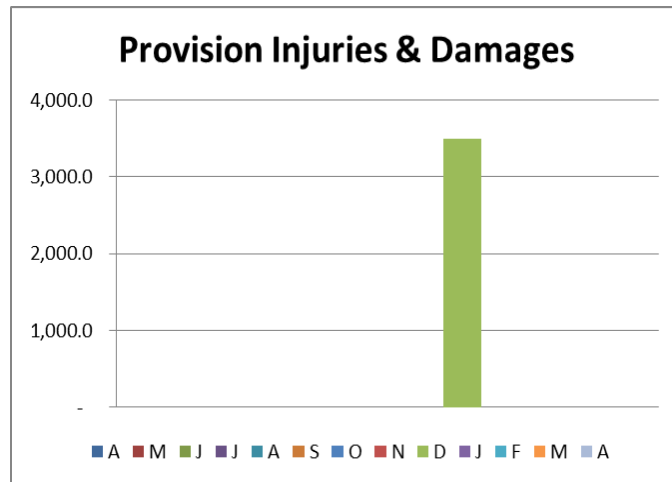
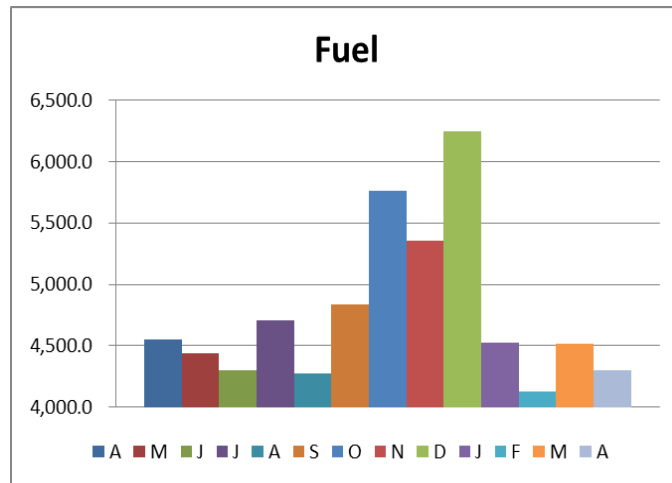
## Revenue (con't)



## Expenses



## Expenses (con't)



## Expenses (con't)

